

Budget Proposal

FY 2012 – 2013

By David Willard
City Manager



- **Increase in Appraised Property Values**

Values up 2.5%

- **Lower Sales Tax Collections**

Decrease of 1% as Compared to FY1-12 Year End Estimate

- **No Property Tax Rate Increase**

- **No Sanitation Rate Increase**

- **Proposed Water & Sewer Rate Increase**

- **Increased Contribution to Firefighter Pension Fund**

\$110,000

- **Internal Auditor Position**

Annual Salary, Benefits and Startup cost of \$90,000

- **Increase Street Maintenance by \$600,000**

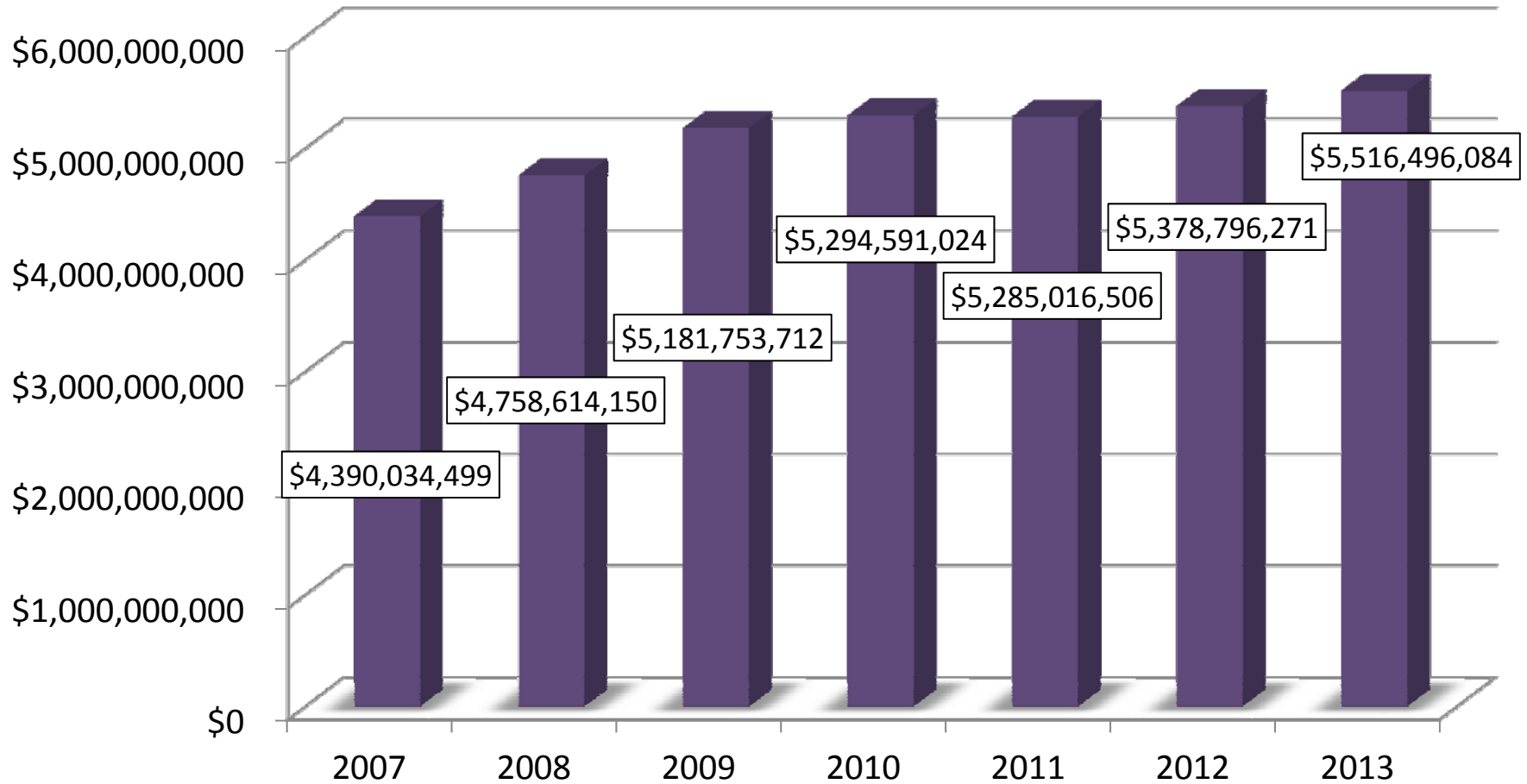
From \$1,241,000 to \$1,841,000

- **Upgrade Traffic Signals**

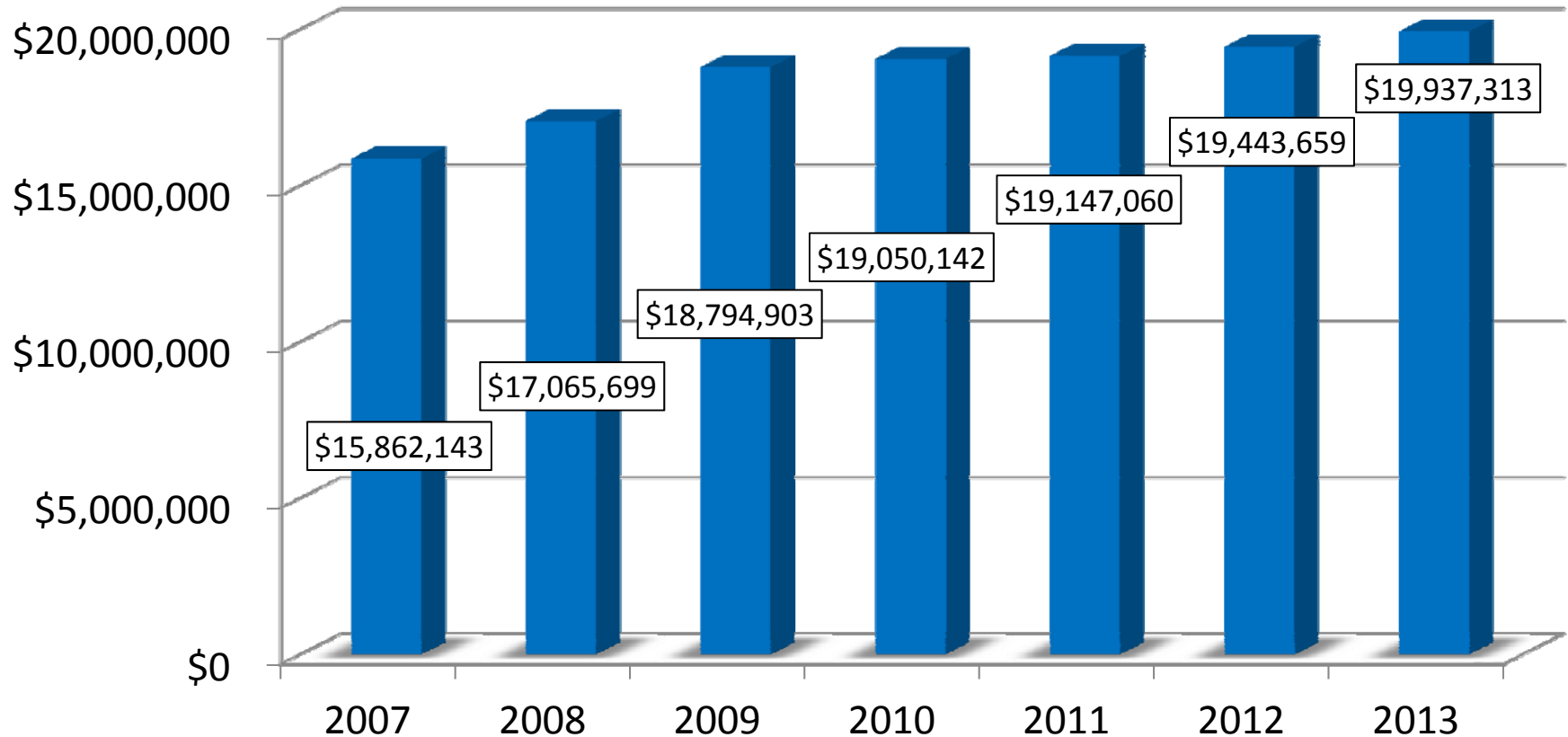
Software and Controllers , \$155,000

- **Mid Year Employee Raises of 3%**

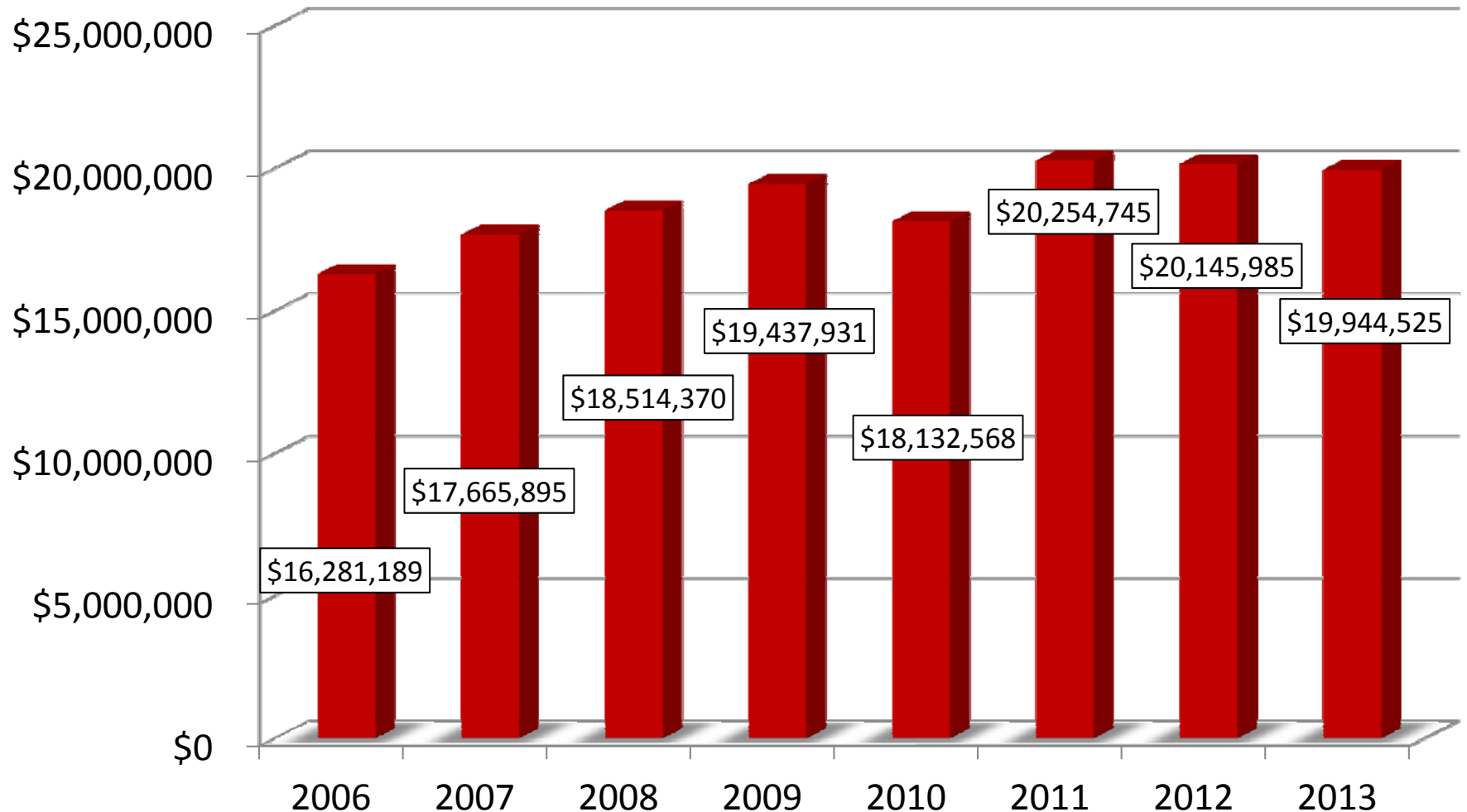
Property Tax Values



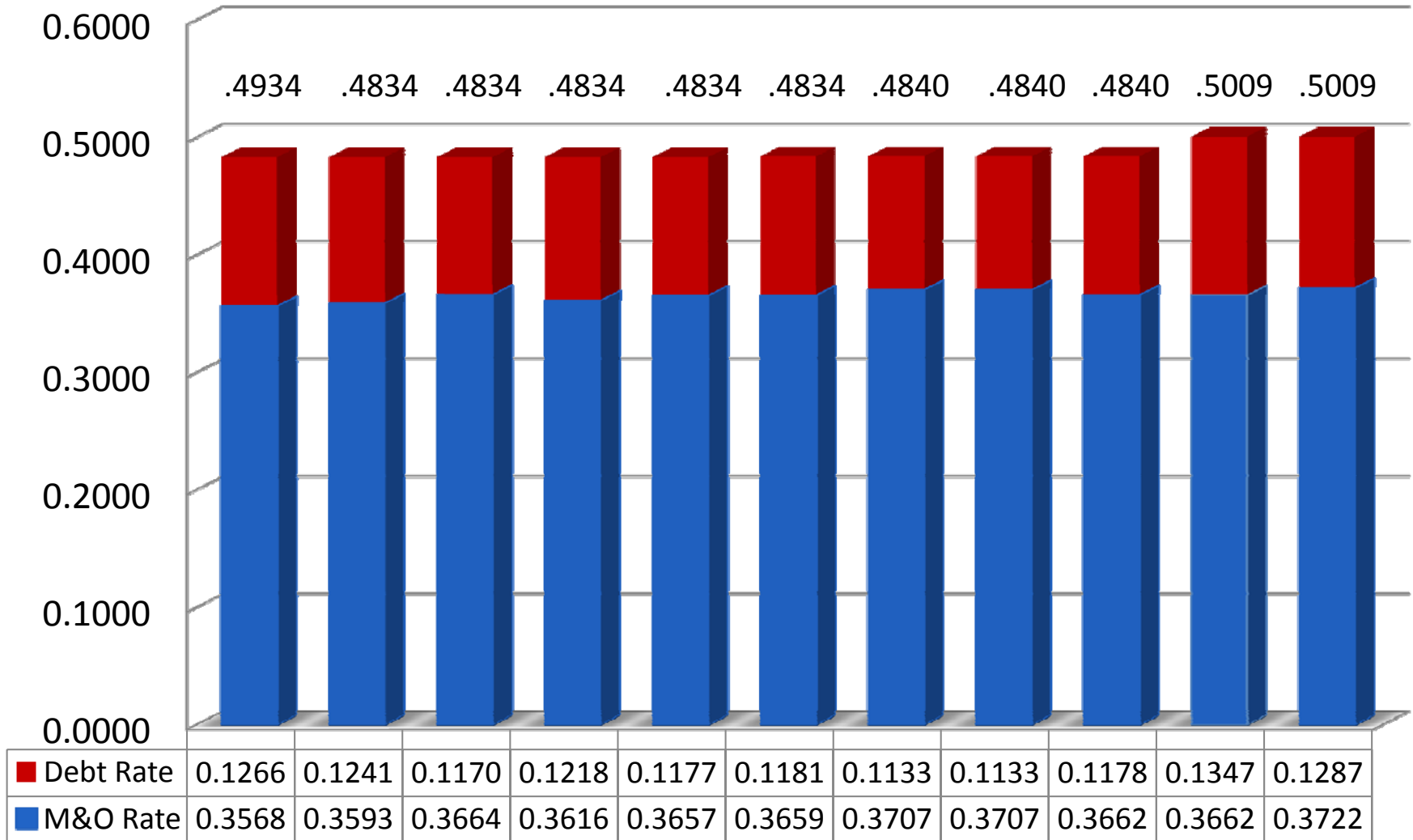
Property Tax Revenue



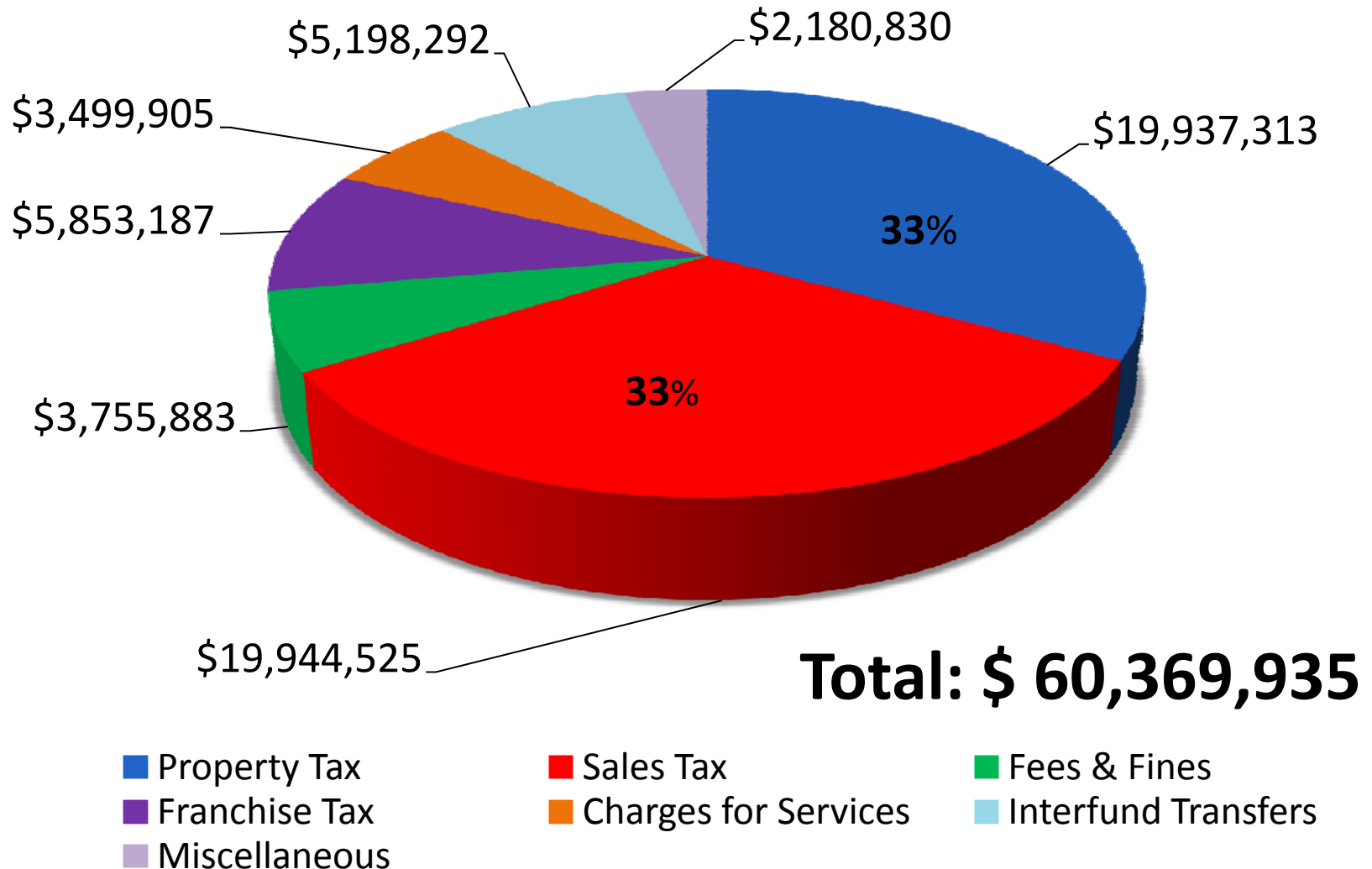
Sales Tax Revenue



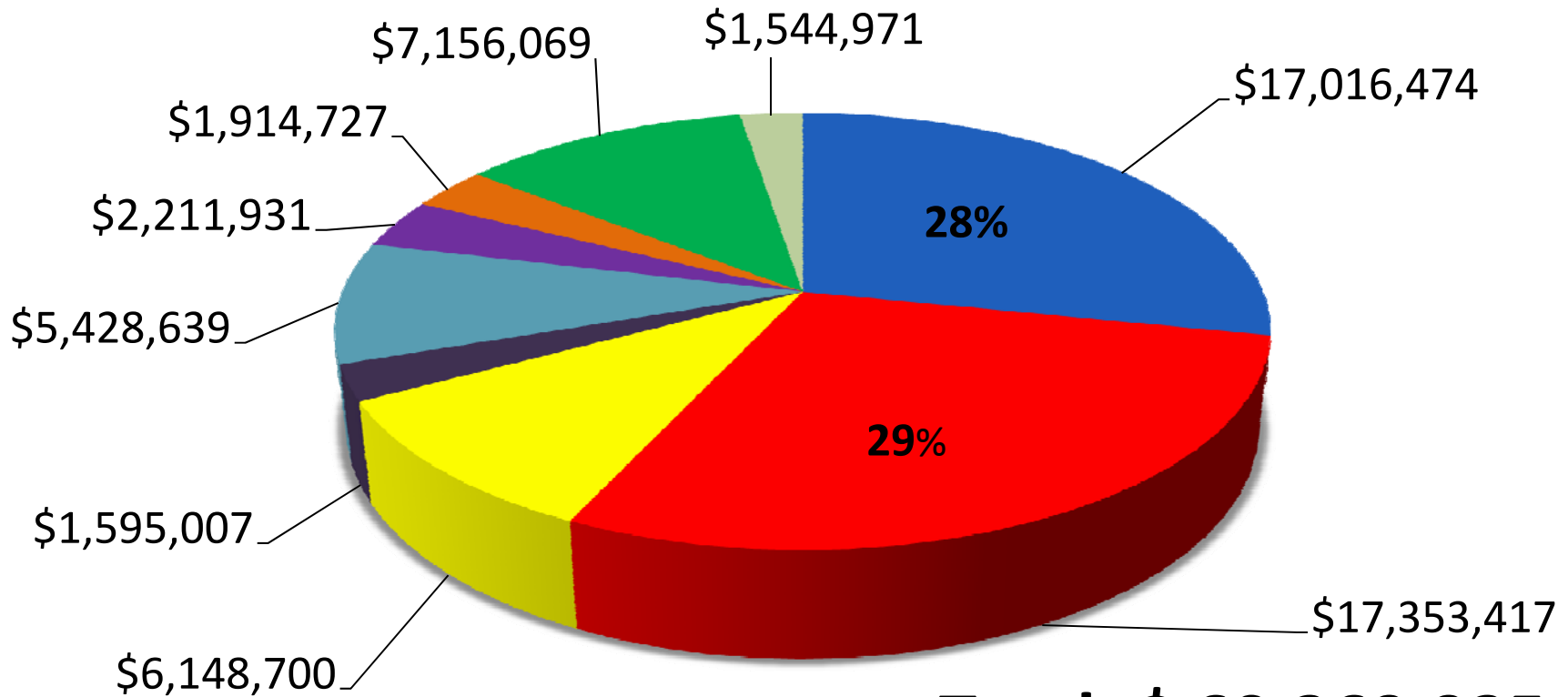
Tax Rates 2002-2012



General Fund Revenue and Sources



General Fund Expenditures



Total: \$ 60,369,935

Police

Fire

Parks

Library

Streets/Traffic

Public Safety Comm.

Administration

General Government

Interfund Transfers

Texas Municipal Retirement System

- TMRS restructured plan during 2011 state legislative session
- Decrease in 2012 budgeted rate from 14.57% to 11.24%
- 2013 rate is 10.95%, a savings of \$163,323
- Funded liability ratio increases from 70.8% to 91.3%

General Fund Summary

Beginning Fund Balance	\$12,941,301
Revenues	\$60,369,935
Expenditures	\$60,369,935
Ending Fund Balance: <u>21.44%</u>	<u>\$12,941,301</u>
Reserved for OPEB	\$2,811,066
Reserved for FF Pension	\$1,342,386
Ending Fund Balance : <u>14.56%</u>	<u>\$8,787,849</u>

*Fund Balance **Over** the 10% Requirement*
\$2,750,856

Questions?



Water & Wastewater Rates

FY 2012 – 2013



November 13, 2008 – RW Beck, Inc. presented a Cost of Service and Rate Design Study to Council

Goals of the Study

Determine the Cost of Service

Recover Equitable Revenue

Maintain Financial Integrity of the Utility

Cash Fund Projects instead of Debt

Water & Wastewater Fund

2012 Year End Estimate

Revenue	\$31,733,089
Expenses	(\$31,025,060)
CIP Reserve	(\$2,200,000)
Fund Balance	<u>\$6,714,497</u>
Fund Balance %	20.21 %

Fund Balance Policy 15.00 %

Water & Wastewater Fund

2012 Debt Coverage Estimate

Revenue	\$31,769,430
O&M	(\$19,134,880)
Net Revenue	<u>\$12,634,550</u>
Debt Service	\$9,296,386
Coverage Ratio	1.36
<i>Minimum Coverage Ratio as required by Bond Covenant</i>	<i>1.25</i>

Water & Wastewater Rates

Rate Design – Water *Minimum (include 2,000 gallons)*

Meter Size	Current	Proposed
5/8"	\$9.57	\$10.15
1"	\$23.93	\$25.38
1½"	\$47.85	\$50.75
2"	\$76.56	\$81.20
3"	\$153.12	\$162.40
4"	\$263.18	\$279.13
6"	\$538.79	\$571.45
8"	\$813.45	\$862.75

Water & Wastewater Rates

Rate Design – Water *Rates per 1,000 gallons*

<u>Monthly Consumption</u>	<u>Current</u>	<u>Proposed</u>
2,000 to 50,000	\$2.30	\$2.50
50,000 to 5,000,000	\$2.30	\$2.50
> 5,000,000	\$2.30	\$2.50

Water & Wastewater Rates

Rate Design – Sewer

Minimum Bill (include 2,000 gallons)

Current	Proposed
\$11.30	\$12.05

Volumetric Rate (per 1,000 gallons over minimum)

Current	Proposed
\$3.50	\$3.75



Water & Wastewater Rates

Sample Monthly Bills

Meter Size	Consumption	Current	Proposed	Difference
5/8"	7,000 gallons	\$49.87	\$53.45	\$3.58
1"	10,000 gallons	\$81.63	\$87.43	\$5.80
2"	50,000 gallons	\$366.26	\$393.25	\$26.99

Water & Wastewater Fund

2012 - 2013 Water & Wastewater Budget with Proposed Rate Increase

Revenue	\$33,293,949
Expenses	(\$30,745,667)
CIP Reserve	(\$3,700,000)
Fund Balance	<u>\$5,562,779</u>
Fund Balance %	16.15 %

<i>Fund Balance Policy</i>	15.00 %
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Water & Wastewater Fund

2012 - 2013 Debt Coverage Ratio with Proposed Rate Increase

Revenue	\$33,343,949
O&M	(\$19,727,073)
Net Revenue	<u>\$13,616,876</u>
Debt Service	\$8,904,006
Coverage Ratio	1.53
<i>Minimum Coverage Ratio as required by Bond Covenant</i>	<i>1.25</i>

Water & Wastewater Fund

2012 - 2013 Water & Wastewater Budget With No Rate Increase

Revenue	\$30,911,393
Expenses	(\$30,745,667)
CIP Reserve	(\$1,800,000)
Fund Balance	<u>\$5,080,223</u>
Fund Balance %	15.61 %

<i>Fund Balance Policy</i>	15.00 %
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Water & Wastewater Fund

2012 - 2013 Debt Coverage Ratio With No Rate Increase

Revenue	\$30,961,393
O&M	(\$19,727,073)
Net Revenue	<u>\$11,234,320</u>
Debt Service	\$8,904,006
Coverage Ratio	1.26
<i>Minimum Coverage Ratio as required by Bond Covenant</i>	1.25



FY 2012-2013 Total Budget

General Fund	\$60,369,935
Enterprise Funds	\$40,228,776
Special Revenue Funds	\$20,594,060
Internal Service Funds	\$15,250,505
Debt Service Funds	\$15,756,669
Total Budget	<u>\$152,199,945</u>

Thursday, July 26

Council Meeting

Present Budget to Council
Set Public Hearing Dates

Thursday, Aug. 9

Council Meeting

Budget Discussion
Preliminary Vote on Tax Rate

Monday, Aug. 23

Council Meeting

Public Hearing on Tax Rate

Thursday, Aug. 30

Special Council Meeting

Public Hearing on Budget

Public Hearing on Tax Rate

Adopt Budget

Adopt Fee Changes

Thursday, Sept. 13

Council Meeting

Adopt Tax Rate

Questions?

